



**U.S. GENERAL SERVICES ADMINISTRATION**  
Office of Inspector General

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July 8, 2025

TO: STEPHEN EHIKIAN  
ACTING ADMINISTRATOR (A)

FROM: ROBERT C. ERICKSON  
DEPUTY INSPECTOR GENERAL (J)

SUBJECT: GSA Office of Inspector General's Fiscal Year 2024  
Risk Assessment of GSA's Travel Card Program  
Audit Memorandum Number A250029

We conducted a risk assessment of GSA's travel card program to identify and analyze risks of illegal, improper, or erroneous purchases related to GSA's travel cards. In addition, the risk assessment is used to determine the appropriate scope, frequency, and number of periodic audits of the travel card program. We based our risk assessment on GSA's Fiscal Year (FY) 2024 travel card data and five risk categories: (1) high-risk transactions, (2) internal controls, (3) training, (4) previous audits, and (5) GSA Office of Inspector General's Office of Investigations (GSA OIG Investigative) input.

We assessed the overall risk for GSA's travel card program as low as we determined all but one risk category as low risk. Additionally, in response to a recent executive order, GSA has implemented additional controls by reducing its travel card spending limits to \$1 without an approved travel authorization.<sup>1</sup> As a result, we are not including an audit of GSA's travel card program in our FY 2026 audit plan. GSA officials must continue prudent oversight of the travel card program to ensure that internal controls intended to safeguard taxpayer funds are fully implemented and followed by GSA travel cardholders.

## **BACKGROUND**

The Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) was enacted to prevent waste, fraud, and abuse that may exist in federal charge card programs.<sup>2</sup> The Charge Card Act and Office of Management and Budget (OMB) Revised Circular No. A-123, Appendix B, *A Risk Management Framework for Government Charge Card Programs*, requires Inspectors General to periodically conduct risk assessments of purchase and travel card programs. These assessments analyze the risks of illegal, improper, or erroneous purchases and payments. Inspectors General are required to use these risk assessments to determine the necessary

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<sup>1</sup> Executive Order 14222, *Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative* (February 26, 2025).

<sup>2</sup> Pub. L. No. 112-194 (October 5, 2012).

scope, frequency, and number of audits to be performed in these areas.

GSA's Office of Administrative Services (OAS), Office of Travel and Charge Card Services, manages GSA's travel card program. GSA has two types of travel card accounts: centrally billed accounts and individually billed accounts (IBAs). GSA is liable for all purchases made through centrally billed accounts, such as common carrier tickets for airfare, trains, and buses. GSA cardholders are liable for all purchases made through IBAs, such as baggage fees, lodging, and meals. In FY 2024, GSA's total travel card spending exceeded \$17.6 million. Of that, 85,214 transactions totaling nearly \$11.8 million (67 percent) were charged through IBAs.

## **RISK ASSESSMENT METHODOLOGY**

Our risk assessment is based on GSA's FY 2024 travel card data and five risk categories: (1) high-risk transactions, (2) internal controls, (3) training, (4) previous audits, and (5) GSA OIG Investigative input.<sup>3</sup> We assigned weights to each risk category, allocating 30 percent to high-risk transactions; 25 percent to internal controls; and 15 percent to training, previous audits, and GSA OIG Investigative input, respectively. Based on our analysis, we determined a risk rating of low, medium, or high for each category (numerically 1, 2, or 3, respectively) and then calculated a weighted risk rating for overall risk.

To perform the risk assessment for IBAs, we:

- Identified public laws, executive orders, OMB memorandums, and GSA policies and procedures relevant to GSA's travel card program;
- Reviewed our prior audit reports and risk assessments related to GSA's travel card program;
- Obtained and analyzed FY 2024 travel card data for IBAs;
- Interviewed and corresponded with OAS staff to understand GSA's travel card program; and
- Referenced industry standards for risk analysis.<sup>4</sup>

## **RESULTS**

We determined that the risk of illegal, improper, or erroneous purchases related to GSA's travel card program during the assessment period is low. We assigned a risk rating for each of the five risk categories and calculated a weighted risk rating. We assessed four of the five risk categories as low risk and internal controls as medium risk. *Figure 1* on the next page shows the details of our assessment.

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<sup>3</sup> We used professional judgment to determine compliance with requirements when we assessed risk ratings for each category.

<sup>4</sup> Deloitte & Touche, LLP, *Risk Assessment in Practice* (October 2012). Research Commissioned by the Committee of Sponsoring Organizations of the Treadway Commission.

**Figure 1. Risk Category Ratings and Weighted Risk Ratings**

Risk Category	Risk Rating	Weight (%)	Weighted Risk Rating
High-Risk Transactions	1	30	0.30
Internal Controls	2	25	0.50
Training	1	15	0.15
Previous Audits	1	15	0.15
GSA OIG Investigative Input	1	15	0.15
<b>Total</b>			<b>1.25</b>

As of February 2025, GSA reduced its travel card spending limits to \$1 without an approved travel authorization. This, in combination with traditional rounding, resulted in an overall risk rating of low.

### High-Risk Transactions

We analyzed high-risk transactions to calculate the percentage of monetary value and occurrence relative to all IBA transactions. We determined the following types of transactions as high risk to GSA's travel card program:

- Single purchases of \$1,500 and greater;
- Ride share (Uber and Lyft);
- International travel;
- Airline purchases of \$40 and greater;
- Vouchers without travel authorizations;
- Blocked transactions;
- ATM withdrawals;
- Sales tax transactions in tax-exempt states; and
- Digital wallet/saved payment method transactions.

Based on the extent to which an event may affect the agency monetarily (impact) and the possibility that a given event may occur (likelihood), we were able to define criteria and assign ratings to each high-risk transaction. *Figure 2* below shows the thresholds for impact and likelihood as developed by the audit team.

**Figure 2. High-Risk Transactions Impact and Likelihood Risk Criteria**

Risk Rating	Impact	Likelihood
Low	Less than \$1 million	Less than 20 percent of occurrence.
Medium	\$1 million to \$3 million	20 to 50 percent of occurrence.
High	More than \$3 million	51 percent or more likelihood of occurrence.

We calculated the monetary value and occurrence rate of each high-risk transaction type relative to all IBA transactions. Based on our analysis, all high-risk transactions received low impact and low likelihood ratings. As a result, we assigned high-risk transactions a low-risk rating.

### **Internal Controls**

We used criteria identified in the Charge Card Act and OMB Circular No. A-123, Appendix B, to assess internal controls associated with GSA's travel card program. We reviewed program documentation and information from OAS to assess GSA's compliance with 79 controls or requirements for travel card programs. *Figure 3* below shows the compliance thresholds by risk rating as developed by the audit team.<sup>5</sup>

**Figure 3. Risk Criteria for Internal Controls Compliance**

<b>Risk Rating</b>	<b>Compliance with Travel Card Program Controls and Requirements</b>
Low	90 percent or more compliance
Medium	80 to 89 percent compliance
High	Less than 80 percent compliance

We found that GSA fully complied with eight of the nine (89 percent) Charge Card Act requirements and 59 of the 70 requirements (84 percent) from OMB Circular No. A-123, Appendix B. As a result, we assigned internal controls a medium-risk rating.

### **Training**

We assessed GSA travel cardholders' compliance with travel card program training requirements. In addition, we obtained travel card training records to determine the completion rate of the required travel card training. We analyzed GSA travel card training records and calculated that roughly 83 percent of GSA travel cardholders completed the required annual travel card training by the established deadline. Additionally, nearly 7 percent of travel cardholders completed the required training within 30 days of the deadline. As a result, we assigned training a low-risk rating.

### **Previous Audits**

We reviewed the four most recent GSA OIG travel card audits to determine the status of corrective actions implemented in response to audit findings. GSA has implemented all corrective actions, except for those to address the recommendations included in our most

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<sup>5</sup> We found GSA was partially compliant with some controls; however, we only considered full compliance in our risk rating criteria.

recent FY 2023 travel card audit.<sup>6</sup> GSA has until August 29, 2025, to implement the agreed-to corrective actions to address these recommendations. The FY 2023 travel card audit found improper use of GSA travel cards for rideshare purchases and sales tax transactions in tax-exempt states. We included these two types of transactions in our high-risk transaction analysis. As a result, we assigned previous audits a low-risk rating since GSA still has time to implement corrective actions.

### **GSA OIG Investigative Input**

We obtained GSA OIG Investigative input into the risk of illegal, improper, or erroneous purchases related to GSA's travel cards. We also obtained GSA OIG Investigative input in developing our high-risk transaction list. Based on their casework, relatively low monetary amounts of GSA travel card purchases, and existing administrative remedies, they assessed travel card risk as low. As a result, we assigned GSA OIG Investigative input a low-risk rating.

### **CONCLUSION**

We determined that the risk of illegal, improper, or erroneous purchases related to GSA's travel card program is low. As a result, we are not including an audit of GSA's travel card program in our FY 2026 audit plan. GSA officials must continue prudent oversight of the travel card program to ensure that internal controls intended to safeguard taxpayer funds are fully implemented and followed by GSA travel cardholders.

I would like to thank you and your staff for your assistance during this risk assessment. If you have any questions regarding this audit memorandum, please contact me at (202) 501-0450 or R. Nicholas Goco, Assistant Inspector General for Auditing, at (202) 501-2322.

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<sup>6</sup> *Audit of GSA's Fiscal Year 2023 Travel Card Program* (Report Number A240031/H/5/F24005, September 24, 2024).

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## ***Memorandum Distribution***

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